



# ***City of Memphis***

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## **MISSION**

The City of Memphis, its Employees, and City Partnerships will provide responsive and cost effective services through the enhancement of Employee, Neighborhood, Youth, and Business Development.

## **VISION**

To be recognized globally as the City of choice in which to live, learn, work, and recreate.

## **CORE VALUES**

- Honesty, in All Transactions
- Excellence, in All We Do
- Responsiveness, to All We Serve
- Safety, in All Environments

**CITY OF MEMPHIS  
DR. WILLIE W. HERENTON, MAYOR  
KEITH L. McGEE, CHIEF ADMINISTRATIVE OFFICER**

**ADMINISTRATION**

Charles E. Williamson .....	Director, Finance
Richard Arwood .....	Director, Fire Services
Larry Godwin .....	Director, Police Services
Robert Fouche .....	Director, Park Services
Jerry R. Collins .....	Director, Public Works
Lorene Essex .....	Director, Human Resources
E. Keenon McCloy .....	Director, Public Services & Neighborhoods
Cynthia Buchanan .....	Director, General Services
Robert Lipscomb .....	Director, Housing & Community Development/MHA
Sara L. Hall .....	City Attorney, Legal
Wain Gaskins .....	City Engineer, Engineering

**CITY COUNCIL**

Edmund H. Ford, Chairman (District 6)

E.C. Jones .....	District 1
Brent Taylor .....	District 2
TaJuan Stout Mitchell .....	District 3
Janet P. Hooks .....	District 4
Carol Chumney .....	District 5
Barbara Swearengen Holt .....	District 7
Joe W. Brown .....	District 8-1
Rickey W. Peete .....	District 8-2
Myron Lowery .....	District 8-3
Scott McCormick .....	District 9-1
Tom Marshall .....	District 9-2
Jack Sammons .....	District 9-3

**COURTS**

Earnestine Hunt Dorse, Administrative Judge (Division 1)

Tarik B. Sugarmon .....	City Court Judge Division 2
Jayne R. Chandler .....	City Court Judge Division 3
Thomas E. Long .....	City Court Clerk

Prepared by:

**Division of Finance, Budget Office**

Christopher J. Dorsey .....	Budget Manager
Tara R. Brown .....	Management & Budget Coordinator
Jacqueline E. Toney .....	Policy & Perf. Analysis Budget Coordinator
Kimberly Moore .....	Revenue Coordinator
Marsinah Erwin, Jullian Hulbert, Detric Stigall & Erica Hardaway-White .....	Senior Financial Analysts

# INTRODUCTION

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## **Capital Improvement Budget Process**

The Fiscal Years 2006-2010 **Capital Improvement Program (CIP)** is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources.

The purpose of the CIP is to fund capital projects and capital acquisitions that will be of a long-term benefit to the citizens of Memphis. Because of the long-term benefit of the projects in the CIP, they are financed over a period of time. Present and future users of the projects pay for the projects.

The **Capital Improvement Budget** is the annual budget that funds major construction projects, acquisition of property, capital equipment purchases and ongoing capital programs for the City. For program purposes the City defines a capital improvement as a major improvement or acquisition that will last 20 years or a major improvement or acquisition over \$10,000. Capital Acquisition includes items that have a useful life of over 5 years and a value of over \$5,000.

The CIP process begins in October with the submission of projects by each division. Costs and priorities for the projects are developed through a planning process that includes the Building Design and Construction staff and the Budget Office. The results from the Memphis Poll are used to help identify priorities and concerns of citizens.

Preparing the Capital Improvement Program requires identifying the various sources of revenue for the projects such as general obligation bonds, federal grants, state grants, private funds and Capital Pay As You Go. In addition each project must be evaluated as to the impact it will have on the City's operating budget.

New facilities require staff, utilities, maintenance and other costs that must be included in the operating budget. Projects in the Capital Improvement Program are ranked

using various criteria such as the amount of funds available, importance to the overall mission of the Division and strategic priorities of the Mayor and City Council.

Estimates of costs for each capital project will include planning and design, land acquisition, site improvements, construction and other costs needed to make new facilities operational. The Prevailing Wage Ordinance, adopted in 2003 by the City Council, has added an extra 2% to the City's architectural/engineering costs. As a general rule, architectural/engineering costs are now 12% of the construction cost of a building project and any large construction project over \$1,000,000 will be designed one year and constructed the next. A/E costs for street and bridge projects can vary according to the type project and other factors.

Projects are reviewed by the Administration based on need, impact on the area, quality of life in our neighborhoods and the general economic climate of the City. The Mayor then submits the proposed CIP to the City Council in April for adoption. Adoption by Council allocates funds for the first year of the program with specific language on how to appropriate and spend capital funds contained in the CIP resolution. Projects allocated in previous years' Capital Budgets are reprogrammed according to the priorities of the Mayor and Divisions.

## **Financing the Capital Improvement Program**

### **Long Term Debt**

The City's proposed Capital Budget is \$261,983,000 total allocations for FY 2006. General Obligation Bonds are \$173,250,000 or 66.1% of the total revenue for the FY 2006 Capital Budget and \$1,181,105,276 or 62.6% of the five year Capital Improvement Program, including reprogrammed funds.

### **Federal Grants/State Grants**

Federal and State grants represent 10.6% of the revenue in the FY 2006 Capital Budget. The majority of these Federal funds are for MATA projects and Public Works projects that qualify for Federal grants. State grants represent the State-matching portion of the MATA funds and Public Works projects that qualify for State funds.



# INTRODUCTION

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## Sewer Funds

Sewer funds are 10.3% of the revenue in the FY 2006 Capital Budget and are used to fund projects to maintain and improve the sewer system. The Sewer Fund issues revenue bonds to finance most projects.

## Capital Improvement Budget Highlights

- **The Fire Division's** capital budget includes funds for the replacement of pumpers and aerial trucks and an ongoing program for fire station repair. Fire station replacement projects are now a major initiative, and \$3.5 million will be spent over the next five years on personal protective equipment for the City's firefighters.
- **The Police Division's** budget includes funds for continuing the expansion of the Vehicle Storage Facility which will now include space for Crime Scene and Property Storage. The police precinct expansion plan continues with funding proposed for the Traffic Precinct, Hickory Hill Precinct, West Precinct Relocation and the Downtown Precinct. Renovations to the old Police Headquarters building at 128 Adams and the construction of a 911 facility are included. Funding is also included for a new Police helicopter and for a video recording system for patrol vehicles. All of the projects continue Mayor Herenton's investment in public safety efforts to reduce crime and make our neighborhoods safe.
- **The Parks Division's** budget includes funds for improvements at neighborhood parks and playgrounds all over the City. The Liberty Bowl has funding for stadium improvements and preventive maintenance. Community Center improvements are planned for Riverview, Charles Powell, Whitehaven and Gaisman and new aquatic centers are planned for Charles Powell and Glenview. Projects are included for improvements to aquatic facilities and tennis facilities.
- **The Public Works Division's** budget includes funds to pave 227 lane miles of streets each year for five years. The Public Works plan includes funding for maintenance of streets, bridges and major improvements to roads and drainage systems. Other projects include ADA compliant wheelchair ramps on corners at intersections throughout the city and safety improvements such as street modifications and sidewalk installations in identified school zones. The **Sewer Fund** projects are for the repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants.
- **The Public Services and Neighborhoods Division's** budget includes a project designed to improve neighborhoods through Neighborhood Demonstration Grants. The Animal Shelter replacement project is to relocate and expand this facility. Included are funds for a new vehicle inspection station to serve the growing demand in our city and \$3.5 million over a two year period for the Memphis Biotech Foundation. Also planned is a renovation of old Fire Station #11 to serve as a new site for the Memphis Sexual Assault Resource Center.
- **The General Services Division's** budget includes projects for improvements to City property, energy modifications and renovations to City-owned facilities. ADA compliance funding is also included.
- **Housing and Community Development's** budget includes a \$36.1 million loan to MHA for improvement, construction and revitalization within targeted neighborhoods.
- **Planning and Development's** budget has funding to help revitalize some commercial areas of our city.
- **The Engineering Division's** budget includes projects for the purchase of traffic signals, advance planning for capital projects, traffic calming devices and design for an Engineering Support Facility. Engineering also coordinates Urban Art projects.
- **Information System's** budget includes projects to upgrade the City's Information technology infrastructure. Also, funding is proposed for an IT disaster recovery system.
- **City Judges'** budget has funding for the relocation of the City Courts and Court Clerk's Office.
- **The Memphis and Shelby County Health Department's** projects are funded by



# INTRODUCTION

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the City of Memphis and Shelby County. Projects are for the upgrade and replacement of equipment and systems that are critical to the delivery of health care to the citizens of Memphis. A major priority is the construction of a new facility to replace the aging Forensic Center.

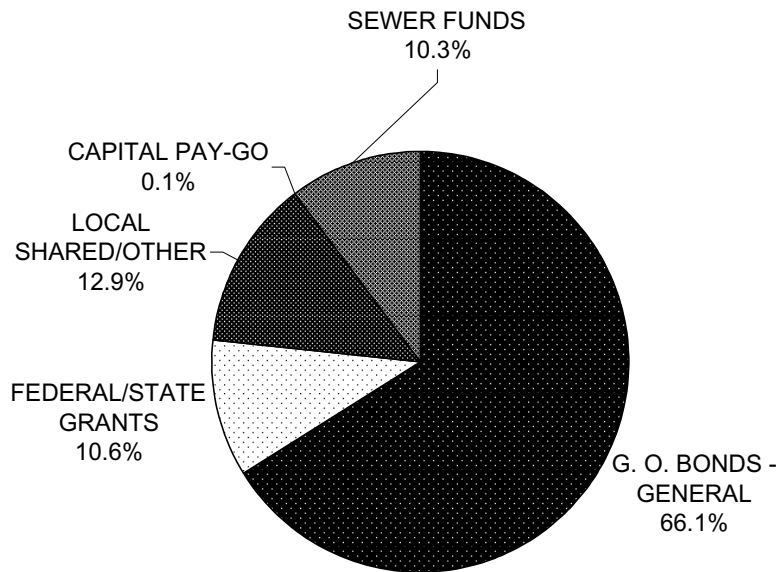
- **Memphis and Shelby County Public Libraries'** budget includes funds for renovations and improvements to existing libraries and for replacement libraries in Parkway Village, Frayser and Downtown to replace smaller facilities and offer increased services. Funding has also been proposed for an upgrade to existing computer technology.
- **The Memphis Area Transit Authority's** capital improvement budget is funded with a combination of Federal grants, State grants and General Obligation Bonds. The Preventive Maintenance Project is funded entirely by general obligation bonds. Most of the projects are for fleet replacements and facility improvements that are required to provide a dependable modern, safe fleet for MATA's ridership. The Regional Rail Plan will connect various areas of Memphis to downtown via light rail. The funding over the next five years involves several phases of development progressing from planning through construction.
- **Riverfront Development's** budget includes funds for the implementation of the Riverfront Master Plan to be coordinated by the Riverfront Development Corporation.



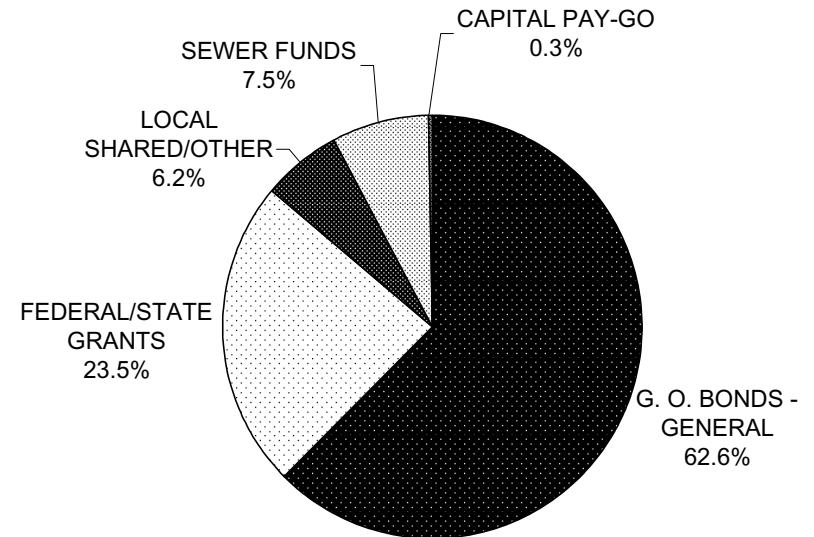
# FY 2006 – 2010

## CAPITAL IMPROVEMENT PROGRAM

### WHERE THE MONEY COMES FROM



FY 2006 BUDGET



FY 2006-2010 PROGRAM\*

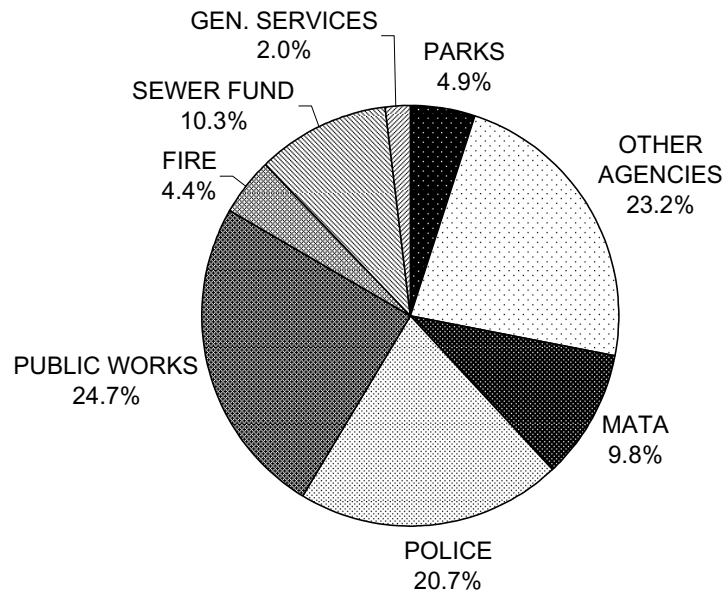
\*Includes Reprogrammed Allocations



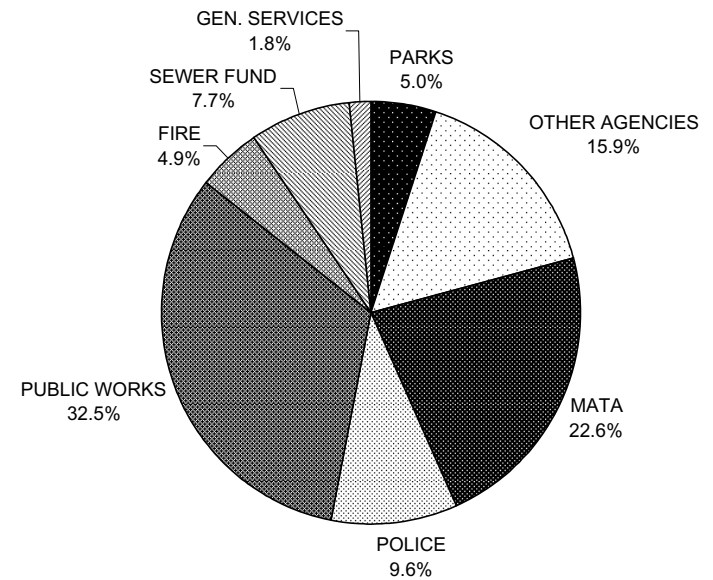
# FY 2006 – 2010

## CAPITAL IMPROVEMENT PROGRAM

### WHERE THE MONEY GOES



FY 2006 BUDGET



FY 2006-2010 PROGRAM\*

\*Includes Reprogrammed Allocations



